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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 2-81

FEB 1 '85
WASHINGTON, Jan. 14--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

The EUROPEAN COMMUNITY (EC) increased its subsidy for wheat sales to China by five European Currency Units (ECU's) a ton (roughly US \$6.50). The increase came primarily in response to requests from France, which had signed a three-year agreement providing for the sale of 500,000 to 700,000 tons of wheat annually to China. However, the previous subsidy for wheat exports to China under the weekly export tender system apparently was too low to compensate for the added transportation costs of shipping grain to this distant market, with the result that no French sales were taking place.

In the past, France has been only a sporadic and minor supplier of wheat to China, but this year it is faced with burdensome wheat supplies which can only be moved into export markets with the assistance of export subsidies. The higher subsidy may permit the initiation of sales of French wheat to China.

MEXICO's embargo on U.S. rail shipments of grain was partially lifted on Jan. 12 when U.S. sorghum and No. 3 corn for delivery to the northeastern state of Tamaulipas were allowed through the Brownsville border crossing point. However, Mexico did not announce the volume of new loadings which would be allowed to move through Brownsville, nor did it announce how long the authorization might last. The general embargo, which was imposed on Dec. 22 in an attempt to clear up a severe backup of railcars destined for Mexico, is likely to remain in force until the end of January.

DAIRY, LIVESTOCK, AND POULTRY

CANADA has announced that it does not plan to restrict imports of fresh, chilled, or frozen beef and veal in 1981 since imports of these items are not expected to exceed 125 to 130 million pounds. This decision will be reviewed, however, if Canada's proposed Meat Import Act is passed, if the United States restrains beef imports, or if other relevant factors change.

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MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.

COTTON

The SOVIET UNION has harvested a record cotton crop, according to reports in the Soviet press. Production in 1980-81 was put at 9,960 million tons of seed cotton, an estimated 14.3 million bales of lint. An increase above last year's production of 13.1 million bales had been expected since weather was very favorable during the season and deliveries have been heavy since the early harvest began.

Yields also set new highs of 989 kilograms of lint per hectare (883 pounds per acre). The estimate for harvested area was unchanged at 3.145 million hectares.

Production of Egyptian type (long fiber) totaled 972,000 tons of seed cotton, 10 percent above long fiber production in 1979-80.

Use of mechanical harvesters continued to expand, with 53,000 machines used to harvest about 95 percent of the 1980-81 production.

TOBACCO

CANADA's flue-cured tobacco prices have increased steadily since the auctions opened in mid-October. Season-average market prices through Dec. 18, 1980 were C \$1.32 (US \$1.11) per pound, up from the C \$1.25 (US \$1.05) per pound during the opening two weeks and near the previous season's level for the same time period. The average was also well above the minimum guaranteed price of C \$1.60 (US\$1.35) per pound. The total quantity of tobacco sold through Dec. 18 was 82.0 million pounds (37,180 tons) out of an estimated 1980 crop of 245.2 million pounds (111,202 tons).

HORTICULTURAL AND TROPICAL PRODUCTS

INDIA's exports of black pepper during the 1979-80 (November-October) marketing year totaled 27,000 metric tons, up from 24,000 tons a year earlier. Shipments totaled 14,000 tons to the USSR, 4,500 tons to the United States, 4,400 tons to Eastern Europe, 2,200 tons to Western Europe, and 1,900 tons to other destinations. Crop prospects for 1980-81 remain favorable, with an outturn of 39,000 to 40,000 tons anticipated, compared with the 1979-80 harvest of 38,000 to 39,000 tons.

To encourage exports of turmeric, another spice, the Government of India has withdrawn its 11-cents a pound export duty. That duty was imposed in January 1979 when international prices were high and supplies were tight.

ZIMBABWE became the forty-fifth coffee exporting nation to join the International Coffee Organization (ICO), when its application for membership was approved by the ICO's Executive Board in early November. Zimbabwe was assigned a quota of 65,000 bags (60 kilograms each) for 1980-81 (October-September).

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Zimbabwe's coffee industry developed in the early 1960's, and its growth spurred with the high prices of the 1970's. For 1980-81 (April-March), production was estimated at 86,000 bags, up from 68,000 bags the preceding year.

The entire crop is sold as "washed" Arabica of a quality similar to that exported by Kenya. Exports were expected to total about 65,000 bags during 1980-81 (April-March) and to rise to 86,000 bags in 1981-82. During the war, all of Zimbabwe's coffee was marketed through South African agents. From now on, the Grain Marketing Board, which is the sole buyer as well as importer and exporter of coffee, will be seeking its own agents in various parts of the world.

Although local consumption of most food and beverage items is rising in Zimbabwe, this is not true of coffee. Higher coffee prices have encouraged the substitution of other beverages such as tea, which is only half as expensive as coffee. Local consumption is currently estimated at only 8,000 bags.

Because of substantial land availability, as well as adequate water supplies for irrigation (all of Zimbabwe's coffee is grown under irrigation), the area devoted to coffee is expected to grow rapidly from 5,437 hectares in 1980-81 to 12,542 hectares in 1983-84, at which time output could reach 165,000 to 170,000 bags.

AUSTRALIA's Central Sugar Cane Prices Board has announced that a 3-percent, or 10,000-hectare (24,700 acres), increase in sugarcane area will be permitted in the 1982 season. This follows a 5-percent (41,170 acres) increase for the 1981 season and means that, for the first time in 16 years, new growers will be able to enter the industry.

The latest acreage increase will result in up to 100,000 metric tons more sugar in 1981-82. Last year's increase added about 150,000 tons of new sugar to total production capacity. Australia had restrained sugar production in 1978 and 1979 so that its export availability would approximate its export quota under the International Sugar Agreement. Such export quotas were suspended in early 1980 due to rising prices.

NEW RELEASES OF FOREIGN AGRICULTURE CIRCULARS

East European Grain Production and Trade Outlook for 1980/81, FG-37-80
Record World Cotton Trade in 1979/80, FC 1-81

USDA's Third Coffee Estimate Virtually Unchanged From Second, FCOF 1-81
TO ORDER circulars, write: U.S. Department of Agriculture, FAS Information Services Staff, Room 5918 South, Washington, D.C. 20250. Tel. (202) 447-7937.

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INTERNATIONAL WEATHER AND CROP SUMMARY, Jan. 5-11

USSR--Significant precipitation (10 to 25 mm) fell over a large portion of the central and eastern Ukraine, North Caucasus, western Volga Valley, and Volga-Vyatsk. Elsewhere, weekly totals were generally less than 10 mm. Much of the winter wheat area had some snowcover, but areas with 10 cm or more included the central Ukraine from the Romanian border northeastward through the Central Region and the northern Volga Valley. The remainder of the winter wheat area had snow depths averaging 1 to 9 cm. Temperatures were below average for the week in western areas, with highs averaging from -5 to -10 degrees C and lows from -10 to 15 degrees C. The snowcover was sufficient in most areas to protect the wheat crop from potential winterkill. Temperatures in eastern portions of winter wheat area were slightly above normal.

AUSTRALIA--Scattered showers in portions of southern New South Wales, Victoria, and South Australia may have caused some minor delays in the wheat harvest; however, there are no major problems at this time for the final stages of the harvest. Tropical weather disturbances produced heavy rains of over 50 mm in northern portions of the Northern Territory and Queensland, while over 200 mm of rain fell on northeastern coastal regions of Queensland.

SOUTH AFRICA--Some rain fell over most of the Maize Triangle; however, significant weekly totals (10 to 25 mm) were again confined to northern and eastern portions while western areas received less than 5 mm. Western crop areas have received below-average rainfall for several weeks. Moisture availability could become a limiting factor in development of the maize crop, now in the period when tassels emerge and silks are pollinating. Although moisture supplies should be adequate for the present, additional periodic rainfall will be needed within the next few weeks, especially in western crop areas.

MEXICO--Unseasonably heavy rains of up to 55 mm over the northwestern watersheds benefitted young wheat, improved irrigation supplies, but slowed some vegetable harvesting. However, only light rains dotted the northeastern citrus orchards and these were more of a nuisance to harvesting than an improvement to soil moisture. Dry weather continued over the Southern Plateau, allowing corn and bean harvesting to proceed. Warmer than normal temperatures spanning the north, especially the western section, are helping irrigated crops to progress a little ahead of schedule.

NORTHWESTERN AFRICA--Coastal areas of northwest Algeria and northern Tunisia received significant rainfall (10 to 25 mm) from a slow-moving storm over the eastern Mediterranean Sea. In a pattern similar to the past few weeks, northwest Morocco received 10 mm or less of weekly rainfall while the more southern crop areas of Morocco remained dry. Temperatures were above average in the west and slightly below average in eastern areas of northwestern Africa.

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SOUTH AMERICA--The soybean and corn areas of Brazil and Argentina again received locally heavy showers and thunderstorms. Weekly totals of 50 to 100 mm were not uncommon in many areas. Sufficient moisture is available for crops in all areas with the possible exception of some dry pockets in western Parana and western crop areas of Argentina. However, with periodic rainfall over the next few weeks, these areas should have adequate moisture for crop development. The soybean crop in Brazil is progressing well with up to 20 percent of the crop in the flowering stage in Parana and Sao Paulo. Further south, about 5 percent of the crop has entered the flowering period. In Argentina, the corn crop is advancing through vegetative development and should be entering the moisture-sensitive reproductive stage soon. Conditions have been relatively favorable for both crops.

EUROPE--Storms, which moved in from the Atlantic, produced some precipitation over almost all of the continent, except in northern Italy and the Iberian peninsula. The heaviest precipitation (25 to 50 mm) fell in eastern France, the Alps, and the eastern Mediterranean and Balkan states. Minimal weekly precipitation occurred in other portions of eastern Europe. During the latter part of the week, a cold air mass penetrated into southeastern Europe, dropping average minimum temperatures for the week down to -10 to -15 degrees C in portions of Poland and Romania. The depth of snowcover in these areas averaged at least 5 to 10 cm, providing the necessary protection for winter wheat from potential winterkill. Snowcover in western Europe was confined to east-central France, and average temperatures were generally above freezing in most areas.

SOUTH ASIA--India's winter wheat area received spotty rainfall with weekly totals averaging less than 10 mm. Heavier amounts fell in east-central India where 25 to 50 mm of rain was reported. The wheat crop is advancing through late vegetative development and is approaching the heading stage with generally favorable growth conditions. Average maximum temperatures were in the low to mid-twenties (C) while low temperatures averaged around 10 degrees C.

EASTERN ASIA--Light rain fell in southern China with weekly totals mostly less than 5 mm. The North China Plain remained dry. Cold weather continued in the winter wheat area, but temperatures generally remained above the level required to induce potential winterkill conditions (that is, -15 to -20 degrees C, depending on crop condition).

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Jan. 13, 1981	Change from previous week	A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.
Wheat			\$ per m. ton
Canadian No. 1 CWRS-12.5%.....	1/	1/	1/
U.S. No. 2 DNS/NS: 14%.....	226.00 7/	6.15 7/	-10 7/
U.S. No. 2 DHW/HW: 13.5%.....	233.00	6.34	- 8
U.S. No. 2 S.R.W.....	227.00	6.18	- 5
U.S. No. 3 H.A.D.....	270.00	7.35	-26 7/
Canadian No. 1 A: Durum.....	1/	1/	1/
Feed grains:			
U.S. No. 3 Yellow Corn	184.00	4.67	- 2
U.S. No. 2 Sorghum 2/.....	194.00	4.93	0
U.S. No. 2 Barley 3/.....	221.50	4.82	- 1
Soybeans:			
U.S. No. 2 Yellow.....	340.75	9.27	+ 27
Argentine 4/.....	1/	1/	1/
U.S. 44% Soybean Meal (M.T.)..	305.00	--	+16.00 5/
EC Import Levies			
Wheat 6/.....	77.65	2.11	+49
Barley.....	39.10	0.85	+ 3
Corn.....	70.65	1.79	- 7
Sorghum.....	58.80	1.49	+ 5

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Pacific Northwest origin.

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

7/ April-May delivery.

Note: Basis February delivery.

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